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21 UNITED STATES DISTRICT COURT
22 CENTRAL DISTRICT OF CALIFORNIA
23 WESTERN DIVISION

24 California Institute of Technology,

25 Plaintiff,

26 v.

27 Canon U.S.A., Inc. and Canon, Inc.,

28 Defendants.

CASE NO. CV08-8637-MRP (VBKx)

**PLAINTIFF'S MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT OF ITS MOTION TO
STRIKE AND/OR DISMISS
DEFENDANTS' INSUFFICIENTLY
PLED INEQUITABLE CONDUCT
DEFENSES AND COUNTERCLAIMS**

Honorable Mariana R. Pfaelzer
United States District Judge

Hearing Date: November 16, 2009
Time: 10:00 a.m.
Location: Courtroom 12

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1 Pursuant to Federal Rule of Civil Procedure 12(c), Plaintiff California
2 Institute of Technology (“Caltech”) submits this Memorandum of Points and
3 Authorities In Support of Plaintiff’s Motion to Strike and/or Dismiss Canon U.S.A,
4 Inc. and Canon, Inc.’s (collectively “Canon”) Insufficiently Pled Inequitable
5 Conduct Defenses and Counterclaims, and would respectfully show as follows:

6 I. INTRODUCTION

7 Defendants Canon U.S.A., Inc. and Canon, Inc. have attempted to plead the
8 affirmative defense of inequitable conduct, and Canon U.S.A., Inc. has further
9 attempted to plead a counterclaim for declaratory judgment of unenforceability due
10 to inequitable conduct. In all these pleadings, Canon claims that the purported
11 inequitable conduct renders the patents-at-issue, and certain related patents,
12 unenforceable. Canon’s allegations of inequitable conduct are wholly insufficient
13 because they fail to meet Federal Rule of Civil Procedure 9(b)’s heightened pleading
14 standard as set forth by the Federal Circuit Court of Appeals in *Exergen Corp. v.*
15 *Wal-Mart Stores, Inc.*, 575 F.3d 1312 (Fed. Cir. 2009).

16 Canon’s allegations reflect a myriad of factual deficiencies—each of which is
17 independently fatal to its pleadings. Most egregious, Canon fails in any of its
18 allegations to name the specific individual who both knew of the material
19 information and deliberately withheld or misrepresented it. All of Canon’s
20 pleadings fail on this ground alone. Even if Canon had properly identified a specific
21 person, Canon’s allegations still fail because they do not assert facts from which it
22 reasonably can be inferred that the particular individual had the requisite knowledge
23 of the purported false or misleading information and the specific intent to deceive
24 the United States Patent and Trademark Office. In all, Canon’s allegations neither
25 identify the specific “who,” “what,” “when,” “where,” or “how” of the purported
26 material misrepresentations or omissions, nor give rise to a reasonable inference of
27 scienter. Thus, none of Canon’s allegations pass muster under *Wal-Mart*.

28

1 Even though it admits that it is fully cognizant of the Federal Circuit's newly
 2 clarified standard in *Wal-Mart*, Canon asserts that its allegations actually *meet* the
 3 *Wal-Mart* standard, and thus refuses to voluntarily amend its pleadings.¹ Canon also
 4 contends, however, that it is excused from complying with the *Wal-Mart* standard
 5 because *Wal-Mart* was decided after the pleadings had closed in this case. To that
 6 end, Canon erroneously claims that "the time to file any motion to dismiss or strike
 7 has passed." Canon is wrong on this account too. By their plain terms, Rules 12(c)
 8 and 12(h)(2) permit Caltech to move to strike Canon's inequitable conduct
 9 affirmative defenses and counterclaim when, like here, the pleadings are closed.

10 Finally, Canon alleges that Caltech provided no substantive basis for its
 11 contention that Canon's pleadings are deficient. However, Caltech provided Canon
 12 a detailed chart specifically detailing the deficiencies in Canon's pleadings, as well
 13 as the case law supporting Caltech's positions.² Despite having no valid basis for
 14 doing so, Canon continues to refuse to voluntarily amend its pleadings.

15 Accordingly, Caltech respectfully requests the Court to: (1) strike Canon's
 16 insufficiently pled affirmative defenses of inequitable conduct, and (2) dismiss
 17 Canon U.S.A., Inc.'s insufficiently pled counterclaim for declaratory judgment of
 18 unenforceability due to inequitable conduct.

19 II. BACKGROUND

20 Canon attempts to plead the affirmative defense of inequitable conduct in its
 21 answer.³ Canon, U.S.A., Inc. also attempts to plead a counterclaim for declaratory
 22 judgment of unenforceability due to inequitable conduct.⁴ The answer and the
 23 counterclaim both allege that:⁵

24
 25 ¹ Declaration of Joseph F. DePumpo ("DePumpo Decl.") ¶ 3 and Exhibit B at 2
 (August 12, 2009, Letter); *see also id.* ¶ 2 and Exhibit A (August 11, 2009, Letter).

26 ² *Id.* ¶ 4 and Exhibit C (September 10, 2009, Letter & accompanying attachment).

27 ³ Dkt. No. 90, Answer at ¶¶ 57-111 ("Answer").

28 ⁴ *Id.*, Counterclaims at ¶¶ 149-54 ("Counterclaim").

⁵ For the Court's convenience, Caltech provides as Exhibit C, a chart depicting

1 All of the Patents-in-Suit are void and unenforceable
 2 because the named inventor(s), the prosecuting attorney(s),
 3 and/or other individual(s)⁶ having a duty of candor and
 4 good faith dealing with the United States Patent and
 5 Trademark Office (the “USPTO”) (collectively
 6 “Applicants”) breached their duty in the prosecution of the
 7 applications that led to the issuance of the Patents-in-Suit
 8 by failing to properly disclose to the USPTO material
 9 information and by making false and misleading
 10 statements, with intent to deceive the USPTO, either: (1)
 11 directly in prosecuting the Patents-in-Suit; or (2) indirectly
 12 in prosecuting patents related to the Patents-in-Suit (the
 13 “Parent Patents”), through the doctrine of infectious
 14 unenforceability.⁷

11 The Patents-in-Suit consist of U.S. Patent Nos.: (1) 5,990,506 (“the ‘506
 12 patent”); (2) 6,456,326 (“the ‘326 patent”); (3) 6,549,235 (“the ‘235 patent”); (4)
 13 6,555,842 (“the ‘842 patent”); (5) 6,570,617 (“the ‘617 patent”); (6) 6,744,068 (“the
 14 ‘068 patent”); (7) 5,949,483 (“the ‘483 patent”); (8) 6,606,122 (“the ‘122 patent”);
 15 (9) 6,943,838 (“the ‘838 patent”); (10) 6,825,059 (“the ‘059 patent”); and (11)
 16 7,369,166 (“the ‘166 patent”).⁸ The Parent Patents to which Canon refers consist of
 17 U.S. Patent No. 5,471,515 (“the ‘515 patent”), U.S. Patent No. 6,101,232 (“the ‘232
 18 patent”), U.S. Patent No. 5,841,126 (“the ‘126 patent”), U.S. Patent No. 6,166,768
 19 (“the ‘768 patent”) and U.S. Patent No. 6,486,503 (“the ‘503 patent”).⁹

20 Canon claims that some of the Patents-in-Suit are unenforceable under the
 21 doctrine of infectious unenforceability insofar as the Parent Patents are

22 _____
 23 Canon’s inequitable conduct pleadings together with each pleading’s deficiencies, as
 24 set forth in *Wal-Mart*. See DePumpo Decl. ¶ 4, Exhibit C (September 10, 2009,
 Letter & accompanying attachment).

25 ⁶ According to Defendants, the “prosecuting attorney(s) and/or other individual(s)”
 26 include patent attorneys Robert M. Wallace, Scott C. Harris, and, “upon information
 and belief,” at least one or more Caltech employees. Answer at ¶ 58; Counterclaims
 at ¶ 150.

27 ⁷ *Id.* ¶ 57; Counterclaim at ¶ 149.

28 ⁸ See Dkt. No. 17 ¶¶ 17-27.

⁹ Answer at ¶ 62; Counterclaim at ¶ 154.

unenforceable. According to Canon, the “Applicants” committed inequitable conduct by failing to cite prior art references and making material misrepresentations to the Patent Office during prosecution of the Parent Patents with the “intent to deceive.”¹⁰

According to Canon U.S.A., Inc., each claim of the Patents-in-Suit should be declared void and unenforceable because “one or more of the inventors and/or the individuals associated with the filing and/or prosecution” of each of the Patents-in-Suit “engaged in inequitable conduct during the prosecution of the application(s) that matured into the Patents-in-Suit and/or during the prosecution of the respective Parent Patents.”¹¹ Canon also alleges that the Patents-in-Suit are unenforceable due to the Applicant’s: (1) failure to cite two prior litigations involving the ‘126 Parent Patent; (2) failure to cite “material” prior art references; and (3) material misrepresentations and false statements to the Patent Office. Canon claims this conduct was undertaken with “the intent to deceive.”¹²

III. ARGUMENTS AND AUTHORITIES

A. The Wal-Mart Standard.

Allegations of inequitable conduct in patent cases are analyzed under Federal Circuit law.¹³ In its recent *Wal-Mart* decision, the Federal Circuit clarified the specific requirements for pleading inequitable conduct in patent cases.¹⁴ That standard is set forth below.

1. A Pleading of Inequitable Conduct Must Identify the Specific Who, What, Where, When, and How of the Alleged Material Misrepresentations and Omissions.

Rule 9(b) requires that “[i]n alleging fraud or mistake, a party must state with

¹⁰ Answer at ¶ 89; Counterclaim at ¶ 181.

¹¹ Counterclaim at ¶¶ 204-215.

¹² Answer at ¶¶ 85, 89, 107; Counterclaim at ¶¶ 177, 181, 199.

¹³ *Wal-Mart*, 575 F.3d at 1318.

¹⁴ *See generally id.*

1 particularity the circumstances constituting fraud or mistake.”¹⁵ “[I]nequitable
 2 conduct, while a broader concept than fraud, [also] must be pled with particularity”
 3 under Rule 9(b).¹⁶ “A pleading that simply avers the substantive elements of
 4 inequitable conduct, without setting forth the particularized factual bases for the
 5 allegation, does not satisfy Rule 9(b).”¹⁷ Thus, when “[p]leading inequitable conduct
 6 in patent cases, Rule 9(b) requires identification of the specific who, what, when,
 7 where, and how of the material misrepresentation or omission committed before the
 8 PTO.”¹⁸

9 **2. The Alleged Facts Must Give Rise to a Reasonable Inference of** 10 **Scienter.**

11 Although “[m]alice, intent, knowledge, and other conditions of mind of a
 12 person may be averred generally,”¹⁹ “a pleading of inequitable conduct under Rule
 13 9(b) must include sufficient allegations of underlying facts from which a court may
 14 reasonably infer that a specific individual (1) knew of the withheld material
 15 information or of the falsity of the material misrepresentation, and (2) withheld or
 16 misrepresented this information with a specific intent to deceive the PTO.”²⁰

17 Information is “material” if it is not cumulative and:

- 18 (1) It establishes, by itself or in combination with other information,
- 19 *a prima facie* case of unpatentability of a claim; or
- 20 (2) It refutes, or is inconsistent with, a position the applicant takes

21
 22 ¹⁵ FED.R.CIV.P. 9(b).

23 ¹⁶ *Ferguson Beauregard/Logic Controls, Div. of Dover Res., Inc. v. Mega Sys., LLC*,
 24 350 F.3d 1327, 1344 (Fed. Cir. 2003) (declining to infer facts to support a claim that
 must be pled with particularity.).

25 ¹⁷ *Wal-Mart*, 575 F.3d at 1326-27; *see also King Auto., Inc. v. Speedy Muffler King,*
 26 *Inc.*, 667 F.2d 1008, 1010 (C.C.P.A. 1981) (“Rule 9(b) requires that the pleadings
 contain explicit rather than implied expression of the circumstances constituting
 fraud.”).

27 ¹⁸ *Wal-Mart*, 575 F.3d at 1327.

28 ¹⁹ FED.R.CIV.P. 9(b).

²⁰ *Wal-Mart*, 575 F.3d at 1328-29.

in:

(i) Opposing an argument of unpatentability relied on by the Office, or

(ii) Asserting an argument of patentability.²¹

Actual knowledge of the existence of the information alleged to be material is required.²² “Pleading on ‘information and belief’ is permitted under Rule 9(b) when essential information lies uniquely within another party's control, but only if the pleading sets forth the specific facts upon which the belief is reasonably based.”²³ “[O]ne of the purposes of Rule 9(b) is ‘to protect those whose reputation would be harmed as a result of being subject to fraud charges.’”²⁴

B. Canon’s Inequitable Conduct Pleadings Do Not Pass Muster Under Wal-Mart.

As set forth below, each of Canon’s factual allegations of inequitable conduct is fatal under Rule 9(b) because Canon fails to identify the specific “who” of the purported material misrepresentations or omissions committed before the Patent Office.²⁵ Canon’s pleadings are further insufficient because the allegations neither identify the “what,” “when,” “where,” and “how,” of the material omissions and misrepresentations nor give rise to a reasonable inference of scienter.²⁶ For these reasons, Canon’s pleadings cannot support a claim or defense of inequitable conduct.²⁷

²¹ 37 C.F.R § 1.56(b)(1).

²² See *FMC Corp. v. Manitowoc Co., Inc.*, 835 F.2d 1411, 1415 (Fed. Cir. 1987) (requiring actual knowledge of the existence of the *information* alleged to be material; discussing “should have known” standard in connection with the information's *materiality*).

²³ *Wal-Mart*, 575 F.3d at 1330-31.

²⁴ *Id.* at 1329 n.6.

²⁵ *Id.* at 1327.

²⁶ *Id.* at 1327-29.

²⁷ FED.R.CIV.P. 9(b).

1. Canon's Pleadings Fail to Adequately Identify the "Who" of the Material Omissions and Misrepresentation.

In *Wal-Mart*, the Federal Circuit concluded that a pleading, which referred generally to "Exergen, its agents and/or attorneys," but failed "to name the specific individual associated with the filing or prosecution of the application issuing as the [patent at issue], who both knew of the material information and deliberately withheld or misrepresented it," was deficient under Rule 9(b) because the pleading failed to adequately identify the "who" of the material omissions.²⁸

For each of the patents Canon claims are unenforceable due to inequitable conduct in its affirmative defense, Canon alleges only that the Patents-in-Suit and/or the Parent Patents are unenforceable because either the "Applicants," or the "named inventor(s), the prosecuting attorney(s), and/or the individual(s)": (1) failed to cite the existence of prior litigation; (2) failed to cite material prior art; (3) improperly cited material prior art; and/or (4) made false and misleading statements to the Examiner.²⁹ For its counterclaim, Canon U.S.A., Inc. merely states that each claim of each of the Patents-in-Suit should be declared void and unenforceable because "one or more of the inventors and/or the individuals associated with the filing and/or prosecution" of those patents "engaged in inequitable conduct during the prosecution of the application or the applications that matured into the Patent-in-Suit and/or during the prosecution of the respective Parent Patents."³⁰

Similar to the pleadings that the Federal Circuit rejected as insufficient in *Wal-Mart*, however, none of these pleadings can support Canon's allegations of

²⁸ See *Wal-Mart*, 575 F.3d at 1329 (citing 37 C.F.R. § 1.56(a) ("Each *individual* associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the [PTO]" (emphasis added))).

²⁹ See Answer at ¶¶ 57, 71-74, 77, 81, 89-91; Counterclaim at ¶¶ 149, 163-66, 169, 173, 181-83. According to Defendants, "Applicants" include "the named inventor(s), the prosecuting attorney(s), and/or other individual(s) having a duty of candor and good faith dealing with the [USPTO]." See Answer at ¶ 57; Counterclaim at ¶ 149.

³⁰ See Counterclaim at ¶ 215.

1 inequitable conduct because Canon fails to name the *specific individual* associated
 2 with the filing or prosecution of the applications issuing as the Patents-in-Suit and/or
 3 the Parent Patents, who both (1) knew of the material information and (2)
 4 deliberately withheld or misrepresented it.³¹

5 The only time Canon suggests that a specific individual may have been
 6 involved in any inappropriate behavior is with respect to Sabrina Kemeny and the
 7 so-called “false and misleading” declaration that was executed during the
 8 prosecution of the ‘515 patent (“Kemeny Declaration”).³² However, Canon does not
 9 state that the ‘515 patent is unenforceable due to Ms. Kemeny’s inequitable conduct,
 10 but rather alleges that “Applicants committed inequitable conduct by submitting and
 11 relying upon the false and misleading Kemeny [Declaration].”³³ Canon alleges that
 12 the ‘232 patent is unenforceable for the same reasons.³⁴ In this regard, Canon fails
 13 to identify the specific individual who deliberately withheld or misrepresented any
 14 material information.

15 Thus, all of Canon’s pleadings fail to identify the “who” of the alleged
 16 material misrepresentations and therefore do not meet Rule 9(b)’s heightened
 17 pleading standard as set forth in *Wal-Mart*.³⁵ As a result, none of Canon’s pleadings
 18 can support a claim or defense of inequitable conduct. Notwithstanding this, each of
 19 Canon’s pleadings is further deficient for the reasons set forth below.

20 **2. Canon’s Pleadings Fail to Either Adequately Identify the “What,”** 21 **“When,” “Where,” and “How” or Give Rise to a Reasonable** 22 **Inference of Scierter.**

23 **a. Alleged Failure to Cite Prior Art References.**

24 Canon specifies 16 publications that were authored by the named inventors of

25 ³¹ See *Wal-Mart*, 575 F.3d at 1329.

26 ³² See Answer at ¶¶ 63-74; Counterclaim at ¶¶ 155-66.

27 ³³ See Answer at ¶ 72; Counterclaim at ¶ 164.

28 ³⁴ See Answer at ¶ 74; Counterclaim at ¶ 166.

³⁵ See FED.R.CIV.P. 9(b); see also *Wal-Mart*, 575 F.3d at 1329.

1 the Patents-in-Suit, which, they assert, describe the “alleged inventions disclosed
 2 and claimed by the Patents-in-Suit” (“Material Authored by the Inventors”).³⁶
 3 Canon also refers to a number of publications authored by others, but cited by the
 4 named inventors (“Material Cited by the Inventors”).³⁷ According to Canon, the
 5 Material Authored by the Inventors describes the technology at issue in the Parent
 6 Patents, and the Material Cited by the Inventors is “relevant to Applicants’
 7 technology.”³⁸ Specifically, Canon claims that the ‘515 patent and the ‘232 patent
 8 are unenforceable due to Applicants’ failure to cite certain material “exemplary
 9 references,”³⁹ and the ‘126 patent and the ‘503 patent are unenforceable because the
 10 Applicants failed to cite at least each of the “exemplary prior art references”
 11 disclosed in the Material Authored by the Inventors and the Material Cited by the
 12 Inventors.⁴⁰

13 Further, Canon generally claims that, in the applications leading to the

14 ³⁶ The material in paragraph 87 of Defendants’ Answer and paragraph 179 of Canon
 15 U.S.A.’s Counterclaims includes: (1) the 1994 Mendis Article; (2) the Fossum
 16 Dinosaurs Article; (3) the Kemeny Focal-Plane Article; (4) the 1989 Fossum
 17 Architecture Article; (5) the 1991 Fossum Focal-Plane Image Processing Article; (6)
 18 the 1991 Fossum Future Directions Article; (7) the 1994 Eid Article; (8) the Fossum
 19 Ultra Low Power Article; (9) the Fossum Future NASA Missions Article; (10) the
 20 Mendis 1993 A-to-D Article; (11) the Fossum Camera on a Chip Article; (12) the
 1994 International CMOS Camera Workshop; (13) the 1994 Gee Article; (14) the
 1994 Fossum Development Article; (15) the 1995 Mendis Thesis; (16) the 1993
 Mendis Article. Answer at ¶ 87; Counterclaim at ¶ 179.

21 ³⁷ The material in paragraph 88 of Defendants’ Answer and paragraph 180 of Canon
 22 U.S.A.’s Counterclaims includes: (1) the 1991 Yadid-Pecht Article; (2) the 1991
 23 Hynecekk Article; (3) the 1991 Kyomasu Article; (4) the 1990 Ando Article; (5) the
 1990 Chen Article; (6) ASIC Vision; and (7) the 1992 Forchheimer Article. Answer
 at ¶ 88; Counterclaim at ¶ 180.

24 ³⁸ Answer at ¶ 89; Counterclaim at ¶ 181.

25 ³⁹ This material includes: (1) the Kemeny Focal-Plane Article; (2) the 1991 Fossum
 26 Focal-Plane Image Processing Article; (3) the 1991 Fossum Future Directions
 27 Article; (4) the 1989 Fossum Architecture Article; (5) the 1991 Yadid-Pecht
 28 Article; (6) the 1991 Hynecek Article; (7) the 1991 Kyomasu Article; (8) the 1990
 Andoh Article; (9) the 1990 Chen Article; (10) the ASIC Vision Article; (11) the
 1992 Forchheimer Article; and (12) the Fossum Dinosaurs Article; Answer at ¶ 90;
 Counterclaims at ¶ 182.

⁴⁰ Answer at ¶ 91; Counterclaim at ¶ 183.

1 Patents-in-Suit, the “Applicants failed to disclose to the USPTO material references
2 relevant to the prosecution with intent to deceive.”⁴¹ Specifically, Canon asserts that
3 the following Patents-in-Suit are unenforceable due to the failure of the
4 “Applicants” to cite at least each of the “exemplary prior art references” disclosed in
5 the Material Authored by the Inventors and the Material Cited by the Inventors:

- 6 • The ‘059 patent and the ‘838 patent.⁴²
- 7 • The ‘122 patent (with the exception of the Fossum Camera on a Chip
8 Article, which was cited).⁴³
- 9 • The ‘506 patent and the ‘483 patent (with the exception of the 1994
10 Mendis Article, which was cited).⁴⁴

11 Canon further asserts that, with respect to the applications leading to the ‘842
12 patent, the ‘068 patent, the ‘617 patent, the ‘326 patent, and the ‘235 patent, the
13 “Applicants” committed inequitable conduct by (1) failing to cite five “exemplary
14 references material to the patentability of these patents”⁴⁵ and (2) “burying certain
15 [cited] references . . . among many other references which were not as material or
16 relevant.”⁴⁶

17 In addition, the ‘842 patent is allegedly unenforceable because the
18 “Applicants” failed to “properly” cite prior art references acknowledged by the
19 Patent Office during prosecution of the ‘842 patent’s immediate parent, the ‘232
20 patent.⁴⁷ According to Canon, in a July 2, 1997, Office Action, the examiner cited

21
22
23 ⁴¹ Answer at ¶ 89; Counterclaim at ¶ 181.

24 ⁴² Answer at ¶ 91; Counterclaim at ¶ 183.

25 ⁴³ Answer at ¶ 92; Counterclaim at ¶ 184.

26 ⁴⁴ Answer at ¶ 93; Counterclaim at ¶ 185.

27 ⁴⁵ The five articles include: (1) the Kemeny Focal-Plane Article; (2) the 1991
28 Fossum Focal-Plane Image Processing Article; (3) the 1991 Fossum Future
Directions Article; (4) the 1994 Eid Article; and (5) the Fossum Ultra Low Power
Article. Answer at ¶ 94; Counterclaim at ¶ 186.

⁴⁶ Answer at ¶ 95; Counterclaim at ¶ 187.

⁴⁷ Answer at ¶ 96; Counterclaim at ¶ 188.

1 nine references when rejecting claims of the '232 patent.⁴⁸ The '232 patent
 2 references were included with the '842 patent application.⁴⁹ However, after the
 3 examiner notified the "Applicants" that the list of references was not a "proper
 4 disclosure," the '232 patent references "were never resubmitted in a proper manner,
 5 and the examiner never considered them."⁵⁰ From this, Canon alleges, "[o]n
 6 information and belief, that the Applicants intentionally withheld material references
 7 from the Examiner during the '842 patent prosecution."⁵¹ This makes no sense.
 8 The references were, in fact, provided to the Patent Office, and thus cannot possibly
 9 give rise to an allegation that they were withheld with an intent to deceive the Patent
 10 Office.

11 *All* of these allegations fail to meet Rule 9(b)'s heightened standard because,
 12 *inter alia*, Canon does not identify (1) which claims, and (2) which limitations in
 13 those claims, the withheld references are relevant to, and (3) where in those
 14 references the material information is found.⁵² In other words, Canon does not
 15 properly allege facts to support the "what" and the "where" of an inequitable
 16 conduct pleading. Further, the pleadings fail to explain both "why" any purportedly
 17 withheld information is material and not cumulative, and "how" an examiner would
 18 have used this information during the prosecution of those patents.⁵³

19 Canon's general assertions that the withheld references are "material, non-
 20 cumulative," and "relevant to Applicants' technology,"⁵⁴ also fail because those

21 ⁴⁸ Answer at ¶ 97; Counterclaim at ¶ 189.

22 ⁴⁹ Answer at ¶ 98; Counterclaim at ¶ 190.

23 ⁵⁰ Answer at ¶ 98; Counterclaim at ¶ 190.

24 ⁵¹ Answer at ¶ 99; Counterclaim at ¶ 191.

25 ⁵² See *Wal-Mart*, 575 F.3d at 1329; see also *Regents of Univ. of Cal. v. Eli Lilly &*
Co., 119 F.3d 1559, 1570 (Fed. Cir. 1997) ("Information is material if a reasonable
 26 examiner would have considered it important to the patentability of a *claim*."
 (emphasis added)); 37 C.F.R. § 1.56(a) ("The duty to disclose information exists
 27 with respect to each pending claim until the *claim* is cancelled or withdrawn from
 consideration, or the application becomes abandoned." (emphasis added)).

28 ⁵³ See *Wal-Mart*, 575 F.3d at 1329-30.

⁵⁴ Answer at ¶¶ 86, 89; Counterclaim at ¶¶ 178, 181.

pleadings do not identify the particular claim limitations, or combination of claim limitations, that are supposedly absent from the information of record. The Federal Circuit has made clear that “[s]uch allegations are necessary to explain both ‘why’ the withheld information is material and not cumulative, and ‘how’ an examiner would have used this information in assessing the patentability of the claims.”⁵⁵ For these reasons, Canon’s conclusory assertions that some of the articles “describe the alleged inventions,” or that the Material Cited by the Inventors is “material prior art,” also fail to meet Rule 9(b)’s heightened standard.⁵⁶

Accordingly, in addition to Canon’s outright failure to identify the “who,” Canon’s allegations are further fatal under *Wal-Mart* because they fail to identify the “what,” “where,” “why,” and “how” of the material omissions.⁵⁷ Even beyond that, these pleadings also fail to sufficiently allege underlying facts from which the Court may reasonably infer that (1) a specific individual knew of the withheld material, and (2) withheld or misrepresented this information with a specific intent to deceive.⁵⁸

For example, Canon claims that the Applicants committed inequitable conduct by failing to reference the Material Cited by the Authors.⁵⁹ Canon claims that Applicants “were aware of” these prior art references “as evidenced by their citation to those references in articles authored by the inventors, such as” the Material Authored by the Inventors.⁶⁰ But, as the Federal Circuit noted in *Wal-Mart*, “[a] reference may be many pages long, and its various teachings may be relevant to different applications for different reasons. Thus, one cannot assume that

⁵⁵ See *Wal-Mart*, 575 F.3d at 1329-30; see also 37 C.F.R. § 1.56(b)(1).

⁵⁶ See *Wal-Mart*, 575 F.3d at 1329-30; Answer at ¶¶ 87-88, Counterclaim at ¶¶ 179-80.

⁵⁷ As noted in *Wal-Mart*, failure to adequately specify the “who,” “what,” “where,” “when,” and “why” is fatal under Rule 9(b). See *Wal-Mart*, 575 F.3d at 1330.

⁵⁸ See *id.* at 1328-29.

⁵⁹ See Answer at ¶¶ 88-93; Counterclaim at ¶¶ 180-85.

⁶⁰ See Answer at ¶ 88; Counterclaim at ¶ 180.

1 an individual, who generally knew that a reference existed, also knew of the specific
 2 material *information* contained in that reference.”⁶¹ The same is true here. Canon’s
 3 allegations provide no factual basis to infer that any specific “Applicant” knew of
 4 the precise information in the Material Cited by the Inventors that was purportedly
 5 relevant to the patentability of any claim of the Parent Patents or the Patents-in-
 6 Suit.⁶²

7 Canon’s allegation as to the Material Authored by the Inventors also fails.
 8 Canon claims that, “[o]n information and belief,” the Applicants failed to cite either
 9 the Material Authored by the Inventors or the Material Cited by the Inventors “with
 10 the “intent to deceive” the Patent Office.”⁶³ However, *Wal-Mart* instructs that
 11 deceptive intent cannot be pleaded solely “on information and belief” unless the
 12 “pleading sets forth the specific facts upon which the belief is reasonably based.”⁶⁴
 13 Here, Canon fails to provide either the precise “information” upon which Canon
 14 relies, or any plausible reason for Canon’s purported “belief” that any of the
 15 Applicants withheld these references “with the intent to deceive.”

16 Thus, Canon’s allegations that the Parent Patents and/or the Patents-in-Suit
 17 are unenforceable because the “Applicants” failed to cite “material” prior wholly
 18
 19

20 ⁶¹ *Wal-Mart*, 575 F.3d at 1330 (citing *FMC Corp.*, 835 F.2d at 1415 (requiring
 21 actual knowledge of the existence of the *information* alleged to be material;
 22 discussing “should have known” standard in connection with the information’s
 23 *materiality*)) (emphasis in original); *see also Brasseler, U.S.A. I, L.P. v. Stryker*
 24 *Sales Corp.*, 267 F.3d 1370, 1382 (Fed. Cir. 2001) (“The mere possibility that
 25 material information may exist will not suffice to give rise to a duty to inquire;
 26 sufficient information must be presented to the attorney to suggest the existence of
 27 specific *information*[,] the *materiality* of which may be ascertained with reasonable
 28 inquiry.” (emphasis added)); *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725
 F.2d 1350, 1362 (Fed. Cir. 1984) (“Nor does an applicant for patent, who has no
 duty to conduct a prior art search, have an obligation to disclose any art of which, in
 the [district] court’s words, he ‘reasonably should be aware.’”).

⁶² *Wal-Mart*, 575 F.3d at 1328-29.

⁶³ Answer at ¶ 89, Counterclaim at ¶ 181.

⁶⁴ *See Wal-Mart*, 575 F.3d at 1330-31.

1 fail to meet Rule 9(b)'s heightened pleading standard articulated in *Wal-Mart*.⁶⁵

2 **b. Prior Litigation Involving the '126 Patent.**

3 Canon claims that the '068 patent, the '842 patent, the '235 patent, the '617
4 patent, the '166 patent, the '326 patent, the '059 patent, the '838 patent, and the '122
5 patent are unenforceable because the Applicants failed to cite to the Patent Office
6 the existence of: (1) an October 13, 2000, declaratory judgment action against
7 Caltech for non-infringement and invalidity of the '126 patent ("October 2000
8 Litigation");⁶⁶ and (2) Caltech's February 2001 action before the U.S. International
9 Trade Commission in which it sought "an exclusionary order pertaining to products
10 alleged to infringe the '126 patent, '506 patent and a third patent" (the "ITC
11 Action").⁶⁷

12 Canon states that, during the October 2000 Litigation, Caltech briefed its
13 position on several of the '126 patent's claim terms, which also are, "in whole or in
14 part, claim terms in the '068 patent, the '842 patent, the '235 patent, the '617 patent,
15 the '166 patent, the '326 patent, the '059 patent, the '838 patent, and the '122
16 patent."⁶⁸ The October 2000 Litigation ultimately settled and was dismissed with
17 prejudice.⁶⁹ During the ITC Action, a proposed respondent alleged inequitable
18 conduct of the '506 patent.⁷⁰

19 According to Canon, during the pendency of both prior litigations, patent
20 applications that issued as the '842 patent, the '235 patent, the '326 patent, the '617
21 patent, the '838 patent, and the '122 patent were pending before the Patent Office,
22 and patent applications that issued as the '068 patent, the '166 patent, and the '059
23
24

25 ⁶⁵ See *id.* at 1330.

26 ⁶⁶ Answer at ¶ 103; Counterclaim at ¶ 195.

27 ⁶⁷ Answer at ¶ 104; Counterclaim at ¶ 196.

28 ⁶⁸ Answer at ¶ 103; Counterclaim at ¶ 195.

⁶⁹ Answer at ¶ 103; Counterclaim at ¶ 195.

⁷⁰ Answer at ¶ 104; Counterclaim at ¶ 196.

1 patent were filed after the conclusion of both cases.⁷¹ Canon alleges that disclosure
 2 of these two instances of prior litigation “would have been material to the
 3 examination” of these Patents-in-Suit.⁷²

4 To the extent Canon alleges that Caltech previously briefed its position on
 5 certain claim terms of the ‘126 patent during the October 2000 Litigation, Canon
 6 fails to explain both “why” the purportedly withheld information is material and not
 7 cumulative, and “how” an examiner would have used this information during the
 8 prosecution of the Patents-in-Suit.⁷³ Canon’s allegation that one of the respondents
 9 in the ITC Action alleged inequitable conduct of the ‘506 patent is similarly
 10 deficient because, among other things, Canon fails to specify upon what grounds
 11 any inequitable conduct was alleged, or whether or not those allegations were
 12 meritorious.⁷⁴

13 In both cases, Canon fails to identify the requisite “what” and the “where”
 14 because neither allegation specifies: (1) which claims, and (2) which limitations in
 15 those claims, the material relating to the past litigations are relevant to, and (3)
 16 where in those references the material information is found.⁷⁵ Putting aside the
 17 factual deficiencies in these allegations (which alone render these pleadings
 18 altogether insufficient under Rule 9(b)), these pleadings fail to allege facts to infer
 19 that a specific individual acted with the requisite level of scienter.⁷⁶ As such, these
 20 allegations are wholly insufficient under *Wal-Mart* and fail to meet Rule 9(b)’s
 21 heightened pleading standard.⁷⁷

22
 23
 24 ⁷¹ Answer at ¶ 105; Counterclaim at ¶ 197.

25 ⁷² Answer at ¶¶ 106-07; Counterclaim at ¶¶ 198-99.

26 ⁷³ *See Wal-Mart*, 575 F.3d at 1329-30.

27 ⁷⁴ Answer at ¶¶ 106-07; Counterclaim at ¶¶ 198-99.

28 ⁷⁵ *See Wal-Mart*, 575 F.3d at 1329; *see also Regents of Univ. of Cal.*, 119 F.3d at 1570; 37 C.F.R. § 1.56(a).

⁷⁶ *See Wal-Mart*, 575 F.3d at 1330.

⁷⁷ *See id.* at 1329-30.

c. Alleged Affirmative Misrepresentations to the USPTO.

i. The Sabrina Kemeny Declaration (the ‘515 Patent and the ‘232 Patent).

Canon asserts that, during the prosecution of the ‘515 patent, named co-inventor Sabrina Kemeny executed a “false and misleading” declaration that distinguished the invention disclosed in the ‘515 patent from prior art, stating that the invention had one read-out circuit per photogate.⁷⁸ Canon alleges that this is “false and misleading” because prior to the time of the declaration, Kemeny and/or other co-inventors were allegedly aware of four prior art articles “teaching one read-out circuit for each pixel,” including: (1) the 1994 Mendis Article; (2) the Fossum Dinosaur Article; (3) the Kemeny Focal-Plane Article; and (4) the Fossum Architecture Article.⁷⁹

According to Canon, the 1994 Mendis Article, which lists Kemeny and ‘515 patent co-inventor Fossum as authors, “defines an active pixel sensor as ‘an image sensor technology that has one or more active transistors within the pixel unit cell.’”⁸⁰ The 1994 Mendis Article also “cites to at least five references . . . that disclose such a structure and that qualify as prior art to the ‘515 patent application and the Patents-in-Suit.”⁸¹ The Fossum Dinosaur Article, authored by co-inventor Fossum, “similarly identifies numerous prior art references in its ‘State-Of-The-Art’ section disclosing active pixel sensors having one readout circuit per pixel.”⁸²

Canon further claims that the Kemeny Focal-Plane Article, which also lists Mendis and Fossum as authors, (1) “describes research into incorporating image processing into CCD image sensors” and (2) “provides experimental results obtained with imaging devices made by the group and cites to the 1989 Fossum

⁷⁸ Answer at ¶¶ 63-74; Counterclaim at ¶¶ 155-66.

⁷⁹ Answer at ¶¶ 65-69; Counterclaim at ¶¶ 157-61.

⁸⁰ Answer at ¶ 66; Counterclaim at ¶ 158.

⁸¹ Answer at ¶ 66; Counterclaim at ¶ 158.

⁸² Answer at ¶ 67; Counterclaim at ¶ 159.

1 Architecture Article.”⁸³ Moreover, the 1989 Fossum Architecture Article “describes
 2 the use of a CCD/CMOS process, the combination of a photoreceptor and
 3 processing element in a combined pixel unit cell and that the processing element can
 4 include buffer/amplifier functions for the pixel unit cell or more sophisticated
 5 functions.”⁸⁴

6 According to Canon, Applicants relied upon the Kemeny Declaration, through
 7 an October 11, 1994 Amendment, “to argue for the patentability of the then pending
 8 ‘515 patent application claims.”⁸⁵ Canon states, “[o]n information and belief, the
 9 Applicants committed inequitable conduct by submitting and relying on the false
 10 and misleading Kemeny [Declaration] . . . with an intent to deceive the USPTO in
 11 order to obtain the issuance of the ‘515 patent.”⁸⁶

12 Similarly, Canon claims that Applicants relied upon the Kemeny Declaration,
 13 through a November 16, 1995 Amendment, “to argue for the patentability of the
 14 then pending ‘232 patent application claims.”⁸⁷ Thus, “[o]n information and belief,
 15 the Applicants committed inequitable conduct by submitting and relying on the false
 16 and misleading Kemeny [Declaration] . . . with an intent to deceive the Patent Office
 17 in order to obtain the issuance of the ‘232 patent.”⁸⁸

18 In addition to failing to adequately explain the “who,” as set forth above,
 19 nowhere in these pleadings does Canon specify that the purportedly “false” portion
 20 of the Kemeny declaration was even relied upon by either the Applicants or the
 21 Examiner during the prosecution of the ‘515 patent or the ‘232 patent. In other
 22 words, these allegations do not identify “where” in the declaration the allegedly
 23
 24

25 ⁸³ Answer at ¶ 68; Counterclaim at ¶ 160.

26 ⁸⁴ Answer at ¶ 69; Counterclaim at ¶ 161.

27 ⁸⁵ Answer at ¶ 71; Counterclaim at ¶ 163.

28 ⁸⁶ Answer at ¶ 72; Counterclaim at ¶ 164.

⁸⁷ Answer at ¶ 73; Counterclaim at ¶ 165.

⁸⁸ Answer at ¶ 74; Counterclaim at ¶ 166.

1 “false” portion is—much less “how” that information was relied upon.⁸⁹ Canon
2 further fails to explain “why” the allegedly “false” declaration is material and not
3 cumulative.⁹⁰

4 Moreover, Canon’s allegations fail to give rise to a reasonable inference that
5 either: (1) any of the “Applicants,” other than Kemeny, had knowledge of the
6 purportedly “false” information; or (2) any of the “Applicants” had the requisite
7 specific intent to deceive the Patent Office.⁹¹ Canon’s allegation that, “[o]n
8 information and belief,” the Applicants relied on the declaration “with the “intent to
9 deceive” the Patent Office⁹² is deficient because, as discussed, deceptive intent
10 cannot be pleaded solely “on information and belief” unless the “pleading sets forth
11 the specific facts upon which the belief is reasonably based,” which, in this case, it
12 does not.⁹³

13 As such, these pleadings do not set forth the sufficient level of particularity
14 and detail required under *Wal-Mart*. Therefore, Canon’s allegations that the ‘515
15 patent and the ‘232 patents are unenforceable because the Applicants relied upon the
16 Kemeny declaration fail because they do not satisfy Rule 9(b)’s heightened pleading
17 standard.⁹⁴

18 **ii. Misleading Claim to Priority (the ‘126 Patent).**

19 Canon states that, in response to an amendment dated January 28, 1998, the
20 Applicants argued that claim 1 of the ‘126 patent was entitled to the benefit of the
21 ‘515 patent’s filing date because, among other things, “the parent includes a
22

⁸⁹ See *Wal-Mart*, 575 F.3d at 1329.

⁹⁰ See *id.*; see also *Larson Mfg. Co. v. Aluminart Prods. Ltd.*, 559 F.3d 1317, 1333 (Fed. Cir. 2009) (finding information cumulative to art of record that taught the “same combination” of claim limitations taught in withheld reference); 37 C.F.R. § 1.56(b)(1) (information is material if it “establishes, by itself or in combination with other information, a *prima facie* case of unpatentability of a claim”).

⁹¹ See *Wal-Mart*, 575 F.3d at 1329; see also *See Brasseler*, 267 F.3d at 1382.

⁹² Answer at ¶ 72, Counterclaim at ¶ 164.

⁹³ See *Wal-Mart*, 575 F.3d at 1330-31.

⁹⁴ See *FED.R.CIV.P. 9(b)*; see also *Wal-Mart*, 575 F.3d at 1329.

1 substrate having an array of pixels and a control area.”⁹⁵ Canon also alleges,
 2 however, that “the ‘515 patent does not disclose (1) a timing element; (2) a control
 3 area outside of the pixel area, or (3) that the readout circuitry is a ‘control area.”⁹⁶
 4 Thus, Canon claims, “the Applicants committed inequitable conduct by making
 5 these statements with intent to deceive the Patent Office as to the correct priority
 6 date for the claims of the ‘126 patent . . . and, thereby avoid invalidating prior
 7 art.”⁹⁷

8 Initially, Canon fails to allege any facts to establish that the Applicants’
 9 amendment is even misleading. First, Canon specifies only that the amendment
 10 states: “[t]he timing element is that which controls, e.g., the integration period.”⁹⁸
 11 Unlike other portions of the amendment, this statement makes no reference to the
 12 ‘515 patent, and there is no other indication that that the Applicants even were
 13 referring to the ‘515 patent when they made that statement. Second, the amendment
 14 specifies that the ‘515 patent disclosed a control area that *includes* a readout circuit,
 15 and that the circuitry “in the control area is CMOS . . . and the pixel area is
 16 compatible with CMOS.”⁹⁹ Contrary to Canon’s allegations, the amendment does
 17 not indicate how the Applicants misrepresented that the ‘515 patent disclosed a
 18 readout circuitry that *is* a control area, or that the control area was *outside* of the
 19 pixel area.

20 Notwithstanding this, even if the statements in the amendment could be
 21 construed as misleading, Canon fails to specify “how” the Examiner would have
 22 used this information in assessing the patentability of the claims of the ‘126 patent,
 23 and “why” this information is material and not cumulative.¹⁰⁰ Thus, Canon has not
 24

25 ⁹⁵ Answer at ¶ 77; Counterclaim at ¶ 169.

26 ⁹⁶ Answer at ¶ 78; Counterclaim at ¶ 170.

27 ⁹⁷ Answer at ¶ 81; Counterclaim at ¶ 173.

28 ⁹⁸ See Answer at ¶ 77, Counterclaim at ¶ 169.

⁹⁹ See Answer at ¶ 77, Counterclaim at ¶ 169.

¹⁰⁰ See *Wal-Mart*, 575 F.3d at 1329-30.

1 set forth the particularized factual basis for this allegation.¹⁰¹ Neither the Court nor
 2 Caltech should be required to infer facts that are required to be pled with
 3 particularity.¹⁰² Without as much, this allegation fails to meet Rule 9(b)'s
 4 heightened pleading standard as articulated in *Wal-Mart*.¹⁰³

5 Putting aside this fatal flaw, these allegations are further deficient because
 6 they do not give rise to a reasonable inference of scienter.¹⁰⁴ Specifically, no facts
 7 are alleged that any specific "Applicant" had both: (1) knowledge that the '126
 8 patent's amendment was purportedly inaccurate; or (2) the specific intent to deceive
 9 the USPTO in order to claim the '515 patent's file date. Thus, Canon fails to allege
 10 facts necessary to infer that a specific individual acted with the requisite scienter.
 11 As such, the allegations fail under *Wal-Mart*.¹⁰⁵

12 **iii. Misleading Claim to Priority (the '506 Patent and the** 13 **'483 Patent).**

14 Canon claims that, on February 19, 1999, in response to a Patent Office
 15 rejection, "Applicants" admitted that prior art references taught the '506 patent's
 16 features of an active pixel sensor array and a color filter, "but argued that there was
 17 not (sic) motivation to combine those features."¹⁰⁶ However, a 1993 article authored
 18 by Eric Fossum, a co-inventor of the '506 patent,¹⁰⁷ "expressly discusses a prior art
 19 reference that discloses an active pixel sensor with a color filter array."¹⁰⁸ Thus,
 20 Canon claims, "[o]n information and belief, . . . Applicants committed inequitable
 21 conduct in attempting to obtain allowance of the '506 patent by stating to the
 22 USPTO with intent to deceive that there was no motivation to combine active pixel
 23

24 ¹⁰¹ See *id.* at 1329.

25 ¹⁰² See *Ferguson Beauregard/Logic Controls*, 350 F.3d at 1344.

26 ¹⁰³ See *Wal-Mart*, 575 F.3d at 1326-27.

27 ¹⁰⁴ See *id.* at 1328-30.

28 ¹⁰⁵ See *id.*

¹⁰⁶ Answer at ¶¶ 82-85; Counterclaim at ¶¶ 174-77.

¹⁰⁷ See Dkt. No. 90, Exhibit C (the Fossum Dinosaurs article).

¹⁰⁸ Answer at ¶ 84; Counterclaim at ¶ 176.

1 sensors with color filter arrays.”¹⁰⁹

2 Canon further claims that the “Applicants intentionally made false statements
3 and misleadingly argued that Mandl (prior art cited in an obviousness rejection of
4 the then pending claims 1-4, 6-7, 12-13, 6-17, and 21) did not constitute prior art”
5 because it was filed after the priority date of the parent application that became the
6 ‘515 patent.¹¹⁰ However, Canon claims, Mandl could not be predated because the
7 ‘483 patent’s then pending claims 1-4, 6-7, 12-13, 6-17, and 21 “lacked support” in
8 the ‘515 patent and thus were not entitled to the ‘515 patent’s filing date as a priority
9 date.¹¹¹ As a result, Canon asserts, “the Applicants committed inequitable conduct
10 by making these statements with intent to deceive the USPTO as to the correct
11 priority date for the claims of the . . . ‘483 patent . . . , thereby avoid invalidating
12 prior art.”¹¹²

13 Neither of these allegations, which Canon specifies are supported *only* “upon
14 information and belief,” meets the standard articulated in *Wal-Mart*. For example,
15 Canon fails to provide either the precise “information” upon which Canon relies, or
16 any plausible reasons for Canon’s purported “belief” that any of the Applicants
17 made any “misleading arguments” with the requisite intent to deceive. Thus, these
18 allegations do not meet the Rule 9(b) heightened pleading standard articulated in *Wal-*
19 *Mart*.¹¹³

20 **3. Infectious Unenforceability.**

21 According to Canon, the ‘842 patent, the ‘068 patent, the ‘235 patent, the
22 ‘166 patent, the ‘617 patent, the ‘326 patent, the ‘838 patent, the ‘059 patent, and the
23 ‘483 patent are unenforceable based on the doctrine of infectious unenforceability
24 because the “Applicants breached their duty of candor and good faith in dealing
25

¹⁰⁹ Answer at ¶ 85; Counterclaim at ¶ 177.

¹¹⁰ Answer at ¶ 79; Counterclaim at ¶ 171.

¹¹¹ Answer at ¶ 80; Counterclaim at ¶ 172.

¹¹² Answer at ¶ 81; Counterclaim at ¶ 173.

¹¹³ See *Wal-Mart*, 575 F.3d at 1329-30.

1 with the Patent Office . . . [during prosecution of] parent applications to those
2 patents.”¹¹⁴

3 Specifically, Canon claims, the ‘842 patent and the ‘068 patent are
4 unenforceable because they “bear an immediate and necessary relation to the
5 inequitable conduct” insofar as they did not face their own substantive rejections
6 over prior art and were, instead, rejected because they were not patentably distinct
7 from the claims of the ‘232 patent and the ‘842 patent.¹¹⁵ Canon further claims that
8 the “Applicants’ inequitable conduct” with respect to the ‘235 patent, the ‘126
9 patent, the ‘232 patent, and the ‘515 patent renders the ‘235 patent, the ‘166 patent,
10 the ‘617 patent, and the ‘326 patent unenforceable because the Patents-in-Suit “bear
11 an immediate and necessary relation to the inequitable conduct.”¹¹⁶ Finally, Canon
12 claims that “Applicants’” inequitable conduct with respect to the ‘515 patent, the
13 ‘232 patent, the ‘768 patent, and the ‘503 patent . . . renders the ‘838 patent, the
14 ‘059 patent, and the ‘483 patent unenforceable based upon infectious
15 unenforceability because the Parent Patents “bear an immediate and necessary
16 relation to the inequitable conduct.”¹¹⁷

17 As discussed, Canon has failed to allege a claim or defense of inequitable
18 conduct with respect to any of the Patents-in-Suit, much less the Parent Patents.
19 Thus, Canon’s allegations of infectious unenforceability of the ‘842 patent, the ‘068
20 patent, the ‘235 patent, the ‘166 patent, the ‘617 patent, the ‘326 patent, the ‘838
21 patent, the ‘059 patent, and the ‘483 patent, which Canon claims, “bear an
22 immediate and necessary relation to the inequitable conduct” alleged in the
23 respective Parent Patents, also fail.¹¹⁸

24

25

26 ¹¹⁴ Answer at ¶¶ 108-11; Counterclaim at ¶¶ 200-03.

27 ¹¹⁵ Answer at ¶ 109; Counterclaim at ¶¶ 201.

28 ¹¹⁶ Answer at ¶ 110; Counterclaim at ¶¶ 202.

¹¹⁷ Answer at ¶ 111; Counterclaim at ¶¶ 203.

¹¹⁸ Answer at ¶¶ 108-11, Counterclaim at ¶¶ 200-03.

**C. Canon's Insufficiently-Pled Affirmative Inequitable Conduct Defenses
Must be Stricken.**

Failure to state a legal defense to a claim may be raised by a motion under Rule 12(c), but the Court may treat the Rule 12(c) motion as a motion to strike, pursuant to Rule 12(f).¹¹⁹ To the extent a pleading is insufficient; the Court may strike that pleading.¹²⁰ As with claims, the defense of inequitable conduct falls within the strictures of Rule 9(b).¹²¹ A pleading that fails to comply with Rule 9's heightened pleading requirements does not provide Plaintiff with "fair notice" of that defense.¹²²

As set forth above, Canon has pled affirmative defenses of inequitable conduct that are wholly insufficient under the standard set forth in *Wal-Mart*. Canon has refused to amend those pleadings. Thus, to avoid the expenditure of time and money that must arise from litigating the insufficiently-pled issues, Caltech respectfully requests that the Court strike Canon U.S.A., Inc.'s and Canon, Inc.'s third affirmative defense.¹²³

¹¹⁹ Fed.R.Civ.P. 12(h)(2)(B); *see also* FED.R.CIV.P. 12(c). *See Kelly v. Echols*, No. Civ-F-05-118, 2008 WL 619073, at *1-2 (E.D. Cal. Mar. 4, 2008) (treating a Rule 12(c) motion that challenged a claim to damages as a motion to strike, pursuant to Rule 12(f)); *see also* FED.R.CIV.P. 12(f)(2) ("The court may strike from a pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter... on its own").

¹²⁰ FED.R.CIV.P. 12(f); *see also Signey-Vinson v. A.H. Robins Co.*, 697 F.2d 880, 885 (9th Cir. 1983) ("[T]he function of a Rule 12(f) motion to strike is to avoid the expenditure of time and money that must arise from litigating spurious issues by dispensing with those issues prior to trial").

¹²¹ *See Cent. Admixture Pharmacy Servs., Inc. v. Advanced Cardiac Solutions, P.C.*, 482 F.3d 1347, 1356 (Fed. Cir. 2007) (affirming district court's order striking insufficiently-pled inequitable conduct defense).

¹²² *Smith v. Wal-Mart Stores*, No. C 06-2069, 2006 WL 2711468, at *7 (N.D. Cal. Sept. 20, 2006) (granting motion to strike affirmative defense that did not meet the heightened pleading requirements in FED.R.CIV.P. 9(c)).

¹²³ *See* FED.R.CIV.P. 12(c); FED.R.CIV.P. 12(f); *see also Signey-Vinson*, 697 F.2d at 885.

D. Canon U.S.A., Inc.’s Insufficiently Pled Counterclaim Must be Dismissed.

When Rule 12(c) is used to raise a defense for failure to state a claim, “the motion for judgment on the pleadings faces the same test as a motion under Rule 12(b)(6).”¹²⁴ In general, to avoid a Rule 12(b)(6) motion to dismiss, a complaint need not contain detailed factual allegations; rather, factual allegations “must be enough to raise a right to relief above the speculative level.”¹²⁵ However, allegations of inequitable conduct further must meet the particularity requirements of Rule 9(b) as set forth above in *Wal-Mart*.¹²⁶

As discussed, under the standard set forth in *Wal-Mart*, for multiple reasons, Canon U.S.A., Inc. has insufficiently pled a counterclaim for declaratory judgment of unenforceability based upon inequitable conduct. Canon U.S.A., Inc. has refused to move to amend its counterclaim. Thus, Caltech respectfully requests the Court to dismiss Canon U.S.A., Inc.’s third counterclaim.¹²⁷

IV. CONCLUSION

For the reasons stated above, Caltech respectfully requests that the Court grant the instant motion in its entirety and strike Canon U.S.A., Inc.’s and Canon, Inc.’s fourth affirmative defense (Dkt. No. 90, Answer at ¶¶ 57-111), and dismiss Canon U.S.A., Inc.’s third counterclaim – declaratory judgment of unenforceability

¹²⁴ *Aldabe v. Aldabe*, 616 F.2d 1089, 1093 (9th Cir. 1980) (noting that, Rules 12(c) and 12(h)(2) together constitute a qualification of Rule 12(b)(6)); *McGlinchy v. Shell Chemical Co.*, 845 F.2d 802, 810 (9th Cir. 1988) (affirming dismissal of claims, pursuant to Rule 12(c)); *Ontiveros v. Zamora*, No.CIV. S-08-567 LKK/DAD, 2009 WL 425962, at *1 (E.D. Cal. Feb. 20, 2009) (stating “[w]hen a Rule 12(c) motion is used to raise the defense of failure to state a claim, the motion is subject to the same test as a motion under Rule 12(b)(6)”).

¹²⁵ *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (“A plaintiff’s obligation to prove the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.”).

¹²⁶ See *Wal-Mart*, 575 F.3d at 1326-27.

¹²⁷ See FED.R.CIV.P. 12(c), 12(h)(2)(B), 12(b)(6).

1 (Dkt. No. 90, Counterclaim ¶¶ 148-215).

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Respectfully submitted,

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